

SUMMARY MINUTES

ABAG Regional Planning Committee Meeting
Wednesday, October 5, 2016
375 Beale Street, Yerba Buena Room, San Francisco, California 94105

1. CALL TO ORDER

Pradeep Gupta, Chair and Vice Mayor, City of South San Francisco, called the meeting of the Regional Planning Committee of the Association of Bay Area Governments to order at 1:03 PM

A quorum of the committee was present.

Committee Members Present

Jurisdiction

Mark Boucher	BAFPAA
Desley Brooks	Councilmember, City of Oakland
Paul Campos	Senior Vice President, Government Affairs, Building Industry Association
Tilly Chang	Executive Director, SFCTA County of San Francisco
Julie Combs	Councilmember, City of Santa Rosa (Vice Chair)
Pat Eklund	Mayor, City of Novato
Martin Engelmann	Deputy Executive Director of Planning, Contra Costa Transportation Agency
Pradeep Gupta	Vice Mayor, City of South San Francisco (Chair)
Scott Haggerty	Supervisor, County of Alameda
Russell Hancock	President & CEO, Joint Venture Silicon Valley
Erin Hannigan	Supervisor, County of Solano
John Holtzclaw	Sierra Club
Nancy Ianni	League of Women Voters--Bay Area
Melissa Jones	Executive Director BARHII, Public Health
Michael Lane	Policy Director, Non-Profit Housing Association of Northern California
Mark Luce	Supervisor, County of Napa
Jeremy Madsen	Executive Director, Greenbelt Alliance
Eric Mar	Supervisor, City and County of San Francisco
Nate Miley	Supervisor, County of Alameda
Karen Mitchoff	Supervisor, County of Contra Costa
Julie Pierce	Councilmember, City of Clayton (ABAG President)
Matt Regan	Senior Vice President of Public Policy, Bay Area Council
Katie Rice	Supervisor, County of Marin
Al Savay	Community & Economic Dev. Director, City of San Carlos (BAPDA)
James P. Spering	Supervisor, County of Solano
Egon Terplan	Planning Director, SPUR
Dyan Whyte	Assist. Exc. Officer, San Francisco Regional Waterboard
Monica E. Wilson	Councilmember, City of Antioch

Members Absent

Diane Burgis
Cindy Chavez
Diane Dillon
Karen Engel

Carmen Montano
Anu Natarajan
Harry Price
David Rabbitt

Carlos Romero
Mark Ross
Kirsten Spalding
Jill Techel

Jurisdiction

East Bay Regional Park District
Supervisor, County of Santa Clara
Supervisor, County of Napa
Director of Economic and Workforce Development,
Peralta Community College
Vice Mayor, City of Milpitas
Director of Policy and Advocacy, MidPen Housing
Mayor, City of Fairfield
Supervisor, County of Sonoma (ABAG Vice
President)
Urban Ecology
Councilmember, City of Martinez
Executive Director, SMCUCA
Mayor, City of Napa

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF REGIONAL PLANNING COMMITTEE MEETING MINUTES OF SEPTEMBER 14, 2016

Chair Gupta recognized a motion by **Member Spring**, Supervisor, County of Solano, and seconded by **Member Holtzclaw**, Sierra Club, to approve the Regional Planning Committee (RPC) minutes of September 14, 2016.

There was no discussion.

The motion passed unanimously.

4. ANNOUNCEMENTS

Member Combs said the Housing Subcommittee discussed each member's three things they wish their region could do with regard to housing. Priorities included finding financial resources, adjustments to RHNA statutes, and the group also went through the list of thirty local housing policies to identify which ones the group could whole-heartedly support. The committee also discussed the regional housing trust fund and how to move it forward. It is a lively and diverse group and folks who are interested in housing policy are welcome to join.

Member Whyte brought to everyone's attention that the San Francisco Estuary Partnership, which is part of ABAG, recently released the Coordinated Conservation Management Plan for the San Francisco Bay region. She suggested adding this as an agenda item for future RPC meetings.

5. SESSION OVERVIEW

Miriam Chion, Director of Planning and Research at ABAG, gave an overview of the meeting and future plans and schedules.

Ms. Chion said there are the regular two items at each of our meetings right now: Plan Bay Area and the staff consolidation of ABAG-MTC. In addition to that, staff has been trying to bring more implementation components, which in this case is the Priority Production Areas (PPAs). To set this meeting in context: At the last meeting, the committee ran out of time for a lot of the discussion about Plan Bay Area, so Ken Kirkey, Planning Director at MTC, and I will address any pending questions. We want to devote most of the time for that discussion. For the Priority Production Areas, staff hopes we will get a lot of feedback from you. You each have a card announcing the Bay Area Confluence, the upcoming conference about water resources that is related to the infrastructure subcommittee. There has been a working group, including water districts, planning departments, and other stakeholders, working to figure out what are some of the issues and questions that the region needs to address. Water has been one of the key issues that many of you have asked ABAG to address.

Ms. Chion announced that ABAG's Executive Director, Ezra Rapport, has resigned. It is a loss for the agency, but we believe we are in very good hands with our executive management team. That includes Ken Moy, ABAG legal counsel; Courtney Ruby, who covers Finance, Human Resources, and Administrative Services; and Brad Paul will be the Interim Executive Director and will be carrying much of the work that was under Ezra's role. Courtney will be talking to you about the staff consolidation.

Chair Gupta said he joined ABAG a little more than two years ago as a board member and Ezra was extremely supportive in bringing him up to date on ABAG matters, and also very informed about what is going on in the Region. We are going to miss him. With this new organization, there are changes like this that take place, but he wishes Ezra all the success in the future and he is sorry to see him go.

6. PRIORITY PRODUCTION AREAS

Information/ACTION

Cynthia Kroll, Chief Economist at ABAG, **Johnny Jaramillo**, Senior Regional Planner at ABAG, and **Karen Chapple**, UC Berkeley, presented the study of industrial land and businesses in the Bay Area. **Ms. Kroll** also presented the Priority Production Areas proposal for the Committee consideration.

Public Comments:

Rick Auerbach from West Berkeley Artisans and Industrial Companies Association said he was on the Technical Advisory Committee. They are a typical industrial organization representing manufacturers trading with different companies. He wanted to show the committee a chart where he explained: This is Adams & Chittenden Scientific Glass in West Berkeley. Meyer Sound, premier speaker sound reinforcement company with over 300 employees, receives parts from all over the world through the Oakland Airport and the Port. They work for The Fillmore, San Francisco Opera House, the opera houses in

Europe, and all the Broadway theaters. They receive cabinetry and electronics in San Jose and all research and assembly is done in Berkeley. Poly Seal Industries, a small company, makes rubber molded products for aerospace transportation, healthcare, and dampers that go into the BART system; these parts go to Genentech, Amgen, Bio-Rad, Bayer, Tesla and ship to 12 foreign countries. It is an ecosystem all throughout the Bay Area. It is important that these companies are in the Inner Bay near airports and ports for their products to go in and out, and they create middle wage jobs.

George Chittenden from Adams & Chittenden Scientific Glass said they are located in a mixed-use zone in Berkeley, and area a very small company started in 1993. They work for Genentech, Novartis, Amgen, and the like, all around the Bay Area. They have a web presence and send out glass tools around the world, and provide minimum wage and mid-wage jobs. Their experience comports with the information that Dr. Chapple just presented. Most of them bike to work and major suppliers are located around the Bay. They very much support the concept of PPAs.

Abbie Wertheim, Director of Policy and Real Estate for SFMade, said they are a non-profit organization focused on providing services to the over 600 manufacturing companies in San Francisco that are connected to their network. He complimented Ms. Chapple and her team on the work, and expressed support for designations such as PPAs. He mentioned that they have undertaken a regional focus by partnering with the cities of San Jose, Oakland, Fremont, and San Francisco to survey directly the manufacturing companies in those areas and look at what those manufacturing companies need, what they are saying, and what is coming up for them. They will be publishing their findings of this initial regional state of urban manufacturing in November.

Steve Wertheim, Planner at the San Francisco Planning Department and member who of the Technical Advisory Committee said that the Planning Department is extremely supportive of the concept of PPAs in the region. San Francisco has created its own PPAs through the Production Distribution and Repair (PDR) districts and they have been critical for preserving these uses while at the same time unlocking a lot of other land for office development and housing development. We already have Priority Development Areas and Priority Conservation Areas, and these Priority Production Areas are a third ecosystem, areas that might not see a lot of growth, but if they are not protected, they will go away.

Committee Discussion:

Member Hannigan thanked Ms. Chapple for her work on the study. She noted that in figure 1 in the report we have in our documents parts of counties are cut off. She represents the City of Vallejo and all of Solano County as a County Supervisor it is hard to see what the rest of our industrial land looks like. She asked if there is a reason why some of these areas, which often include industrial uses, were excluded.

Ms. Chapple replied they can provide a 9-county map. She apologized, they zoom in on the core of the region to make it legible and then they lose what is going on outside. She needs to check if the City of Vallejo gave feedback and will contact Member Hannigan to discuss and correct.

Member Eklund requested a list of jurisdictions that did not provide feedback so that committee members can follow up.

Ms. Chapple agreed to provide a list of jurisdictions that did not provide feedback.

Member Terplan thanked Ms. Chapple and ABAG Staff for taking on this project. This is an issue along with affordable housing that is very important to the region. Housing has often been in conflict with industrial land, as industrial land became a place where there was a lot of pressure to put housing development. Saving industrial land is a very key part of a strategy to maintain a diversity of occupations, workers, and people who get to reside in the region. It is very much in line with the broader Plan Bay Area. He is very supportive of the concept of PPAs.

Member Mitchoff thanked Ms. Chapple for this excellent report. People in Contra Costa County are very proud of our Northern Waterfront initiative. She asked about draft schedule. Will the PPAs go to the Executive Board at our November meeting? She made a motion.

Ms. Chion said the intent is that Plan Bay Area will include the concept of the PPAs and give us some guidance in terms of how we carry the implementation. Further discussion will be required to refine the criteria and Ms. Kroll can go through some of the specifics, but ABAG will need to coordinate with MTC, since this is a joint approval. We will need to see how the goods improvement and priority production areas come together. The implementation will take a couple of years in terms of ABAG and MTC working with the cities to try to understand the information they need and how they want to identify the specific areas. It is a process that takes a lot of dialog and some more specific analysis.

Member Mitchoff said I understand that it will take a while to implement, but the concept is that we want, if this motion passes and it goes to the Executive Board, to adopt the draft and work with MTC. It would become part of Plan Bay Area 2040. Between now and then, there is some additional evaluation that needs to be done but then it would be part of Plan Bay Area and that would give the jurisdictions the blueprints to go out and do it.

Chair Gupta recognized a motion by Member Karen Mitchoff, Supervisor County of Contra Costa, and seconded by Member Scott Haggerty, Supervisor County of Alameda.

The discussion continued as follows.

Ms. Kroll clarified; it is easy to get confused by the way the attachments were done. One of the attachments to this is the earlier action that was taken in June 2015, which was to evaluate PPAs. The action today is to encourage the Executive Board to accept this as part of Plan Bay Area.

Member Mitchoff agreed. The motion is to move forward with PPAs as we work towards its inclusion in Plan Bay Area 2040.

Member Combs thanked Ms. Chapple. She also requested a more detailed map of the counties and which jurisdictions did not reply. Member Combs is interested in receiving information about how to size industrial areas; she is concerned about areas zoned for industrial where the size is so small that nothing can be done with it, surrounded by housing having the edges being eaten away. To retain industrial land, it would be very helpful to have an assessment of regional leakage so that we know what products would be beneficial for our ecosystem to attract to those properties. She is also concerned about how far people have to drive from their housing to get to jobs at the industrial site.

Member Campos said he does not think PPAs are a good idea because over the last 30 or 40 years we had not demonstrated ourselves to be a functional and responsible region comprising cities and counties with elected officials and residents who would allow enough housing to be approved and built in the region. Otherwise PPAs would be a wonderful idea to balance things out. If this idea does go forward, Member Campos hopes that from a higher regional perspective and in particular the academic objective perspective that Ms. Chapple brings, that the agencies would be specific about what particular areas throughout the Bay Area in every city and county should convert to residential or mixed use and what should be retained as industrial. The research that was done and the facts and factors set forth are immensely valuable. The only question is, will the region be responsible enough to act based on this excellent academic work.

Member Luce said Solano and Napa County have the largest projected surplus of industrial land. Solano County is an area that has the highest housing to jobs ratio. Why do we not see more industrial activity in the North Bay? Is it because we do not have the ports and the infrastructure that work?

Ms. Chapple responded to the comments. Everyone can see their jurisdiction's zoning on bayareaindustrialland.com. About 75% of cities responded. She and her team are happy to get corrections.

In terms of leakage, that was not our study, but it is a really important issue and it is something that ABAG is going to be following up, with this Comprehensive Economic Development Strategy.

Ms. Chapple looked at the relationship of housing to jobs and worker vehicle miles traveled (VMT) and where the workers live which is primarily in the core. She agreed that we need to do a better job incentivizing housing developments in the right places, and we cannot have cities denying housing construction on a case-by-case basis. She encouraged more infill development. How you get cities to do it is another question.

To Member Luce's question about the North Bay she said there is a huge surplus of PPAs in the North Bay, but the businesses that can no longer locate in the South Bay are moving to the Central Valley instead of the North Bay. We really need to think about this in terms of a megaregion and where these jobs end up if they cannot locate in the core anymore.

Member Madsen said it is a good idea to look at this ecosystem around production and how that fits in to the broader ecosystem around Priority Development Areas, Priority

Conservation Areas, and this entire mix that makes the Bay Area really hum. This is not a conflict with housing. It needs a good analysis and strategy, which will help us put our energy into housing where housing belongs. The balance between housing and production needs to be in the forefront as it is implemented on a local level.

Member Savay thanked staff for this outstanding report. From a city planning perspective many cities see industrial and manufacturing zones as sustaining their local economies when the economy ebbs and flows. There is a lot of logistics and innovation that is happening in the industrial zones. There is growing pressure from larger corporations to convert industrial land to corporate housing associated with office and R&D so a lot of these smaller incubator type innovative businesses have nowhere to go. To protect the manufacturing industrial zones within Priority Development Areas, the idea is to use the grant funding available for infrastructure.

Member Regan thanked Ms. Chapple for the wonderful work. He said it would be useful given the depths of the housing crisis that we have here in the Bay Area that we could create a hierarchy of priorities with housing at the very top. In 2015 alone, the East Bay lost close to twenty thousand families that make below \$75,000 a year. They left the region not because there is a lack of industrial land. They left the region for affordable housing. They went primarily to states with a lower cost of living like Texas. If the objective of preserving industrial land is to preserve our middle class, there is a much easier and quicker way to get there and that is to build housing for them that they can afford. If there is a conflict between prioritizing industrial or housing, preserving industrial land should be subordinate to the housing crisis.

Chair Gupta asked are you suggesting modification of the motion on the floor.

Member Regan said yes, I would move that we modify the motion to make priority industrial areas subordinate when they are in conflict with priority development areas.

Chair Gupta recognized a second by Member Campos.

Member Mitchoff asked to speak on the motion. The goal is to offer jobs to people, which are located in the areas where they are living. Housing and jobs need to be equal in priority. What I heard is we do not want them to have one at the expense of the other, and we need both.

Member Chang asked whether this tension is truly necessary or whether there is a third way where you can retain your production uses but also build housing and other mixed-use development with it. Not the conversion versus retention, but is there a triangular option? San Francisco has been innovative in trying to strive to both retain PDR but also build on top of that or around it or in a complementary way so that it is not just an either/or but perhaps explore ways that these designations can again be laboratories.

Chair Gupta said Ms. Kroll will summarize all the action items that need to be taken. Now, we have one motion and one substitute motion on the floor.

Member Spering asked for Ken Kirkey, Planning Director at MTC, from the audience to take a minute to explain how this is going to fit into the plan and is there going to be a conflict?

Mr. Kirkey said this issue has been discussed at a number of meetings, including a technical committee, but has not come to the MTC planning committee or the full commission. The plan update is supposed to be a limited and focused update, but it is not turning out to be one. It is going to be a consideration for the Commission and for the Executive Board for where this would nest in work going forward. There is also the integration of the staff that is happening in the coming year and how that will impact implementation of the plan. There is no easy answer, at least not that I have at the top of my head, that this is how this will play out. It needs to go to a meeting with the ABAG administrative committee for a discussion in the future, in part to bring folks who are not on this committee and on the ABAG board up to speed in terms of the work that is been done.

Ms. Kroll thanked everyone for their comments which provided a lot of useful insights from businesses and useful concerns raised by members of this committee. Staff is deliberately not presenting a proposal that includes all of the criteria that would have to be eventually included in this. I wanted to thank Member Campos for highlighting the importance of criteria that distinguish between areas that really are appropriate for infill housing and areas that are not that appropriate for housing and are really important to industry. That is part of the step going forward. We are at the beginning of this concept, just recognizing that these areas are under pressure from lots of development types and that there are places where that is completely appropriate and places where it would be better to preserve them. That decision will be made at a local level, but hopefully under parameters that do not reward them for protecting industrial where it is more appropriate to build housing.

Member Luce said you really addressed a key point with criteria that causes people to really think about the balance that needs to be drawn.

Member Terplan wanted to clarify that the recommendation is for the Executive Board and then eventually the Commission to explore the concept, but there is no actual language of what it would be if there is money associated. He suggested bringing this item back to the RPC for further discussion.

Member Mitchoff said that the purpose was to move it forward so that there can be those additional discussions. If it comes back to us, then it will not go to the Executive Board which means that it will not go to MTC. Her understanding is we need to keep to the schedule and it is still in its formative stage. This is just a draft and we will be able to have those conversations moving forward. That is the original motion.

Member Haggerty suggested that this item needs to go to the ABAG/MTC Joint Committee for further discussion.

Member Spering replied that as the Chair of the Joint Committee, he will ask that this gets on the agenda in a way that people sitting around this table can participate

Chair Gupta asked Member Madsen to repeat the substitute motion.

Member Madsen suggested insert into Member Mitchoff's motion, that as this moves forward in the process, this committee wants that question of balance and the importance of housing to be front and center in the ongoing conversation around the PPAs. Keeping Member Regan's concerns elevated high on the agenda.

Member Regan agreed.

Members Haggerty, Mitchoff, Eklund, Regan, Madsen and **Chair Gupta** had a discussion on what the substitute motion will be. The conclusion was to go with staff recommendation and to communicate to MTC and the ABAG Executive Board that this committee sees housing as a pre-eminent issue in the Bay Area and that housing issue must be considered and must be understood as we move forward with the Priority Production Area concept.

Chair Gupta recognized the substituted motion as stated above by Member Jeremy Madsen, Greenbelt Alliance, and seconded by Member Matt Regan, Bay Area Council.

The aye votes were: Campos, Chang, Combs, Hancock, Hannigan, Holtzclaw, Ianni, Jones, Lane, Luce, Madsen, Mar, Regan, Sperring, Terplan.

The nay votes were: Boucher, Brooks, Eklund, Engelman, Gupta, Mitchoff, Rice, Savay, Wilson.

Abstentions were: Haggerty, Miley, Whyte.

Absent were: Burgis, Chavez, Dillon, Engel, Montana, Natarajan, Pierce, Price, Rabbitt, Romero, Ross, Spalding, Techel.

The motion passed.

7. PLAN BAY AREA 2040 DRAFT PREFERRED SCENARIO

Information

Ms. Chion summarized the responses to the questions from the last meeting as well as additional input. The intent was to continue the discussion of the previous meeting with a focus on the Implementation Actions.

ABAG staff provided an overview of the Implementation Actions for Economic Development, Housing, Resilience, and PDAs.

Member Eklund made four requests: 1. Explain the changes in households and jobs in 2010 data 2. Provide a list of Transit Priority Areas (TPAs) 3. Explain the reduction in jobs in PDAs while meeting SB375 goals. 4. Provide access to parcel data.

Mr. Kirkey said the parcel data has been provided to staff at Transportation Authority of Marin and they have been distributing it within Marin County, but MTC will send the link

directly to you. In terms of jobs in PDAs, nearly half of the job growth projected through 2040 has happened already and the assumption is that job growth is going to continue to happen in the same places. The Draft Preferred Scenario prioritizes realism over a vision. In terms of Transit Priority Areas, they come out of the SB 375 statute based upon transit headways and MTC has maps that it can make available. Lastly, MTC explained how baseline data is used as a foundation for UrbanSim, but I do not think it gets precisely at your questions. We should address that. The baseline data, in terms of jobs or housing per community, is based upon Census data. For housing, it is now at a coarser level in terms of block groups. It is a pretty technical thing that doesn't necessarily align with jurisdictional totals. The employment differences are, in part, based upon methodologies and corrections in the methodology for the forecast back to 2010.

Member Eklund said both MTC and ABAG boards need to have a policy discussion about whether or not the 2010 base year data should change.

Mr. Kirkey said there are some minor differences at the jurisdictional level, but MTC will send out more information on that.

Ms. Chion said the Census revises the numbers after 2010 based on more accurate and more precise data that they have collected. On employment, it is more complicated because there is no one single source that we all agree upon. She suggested the best approach is if we have specific input from the cities to give it to MTC staff so they can figure out how to process that in any adjustment of 2010. On the previous point, the ABAG Executive Board had a substantial discussion about how we treat this plan. Do we treat this plan as a focused update based on existing trends, or do we address some more aspirational components?

Member Terplan said an important point is that we have already had half of the job growth expected until 2040 through 2015. Meaning that only half of the jobs that you see in these numbers are what is expected between now and 2040. When this is adopted in 2017 and people are looking at it in 2018 and it continues to have a 2010 number it is just going to seem odd because so much of the framing and the storyline of the plan is that we have had a big boom since 2010. We have to do so much more with housing. That is a suggestion to include 2015 data. On the PDA number, it would be helpful if you could actually have more explanation of how much employment is projected near transit. The memo that is in our packet says that the current plan relies on the existing pattern. The PDA percent may go down, but is the concentration near transit going up? Lastly, is this plan really about realism or is it aspirational? And say what it would take to meet some of the targets.

Member Campos asked what is the percentage between for sale and rental?

Mr. Kirkey said the forecast does not make a distinction in terms of a percentage or number of for sale versus for rent properties.

Member Campos replied that scenarios one, two, and three had the percentage of for sale versus rentals for all the scenarios.

Mr. Kirkey stated that he will go back and look at this in more detail and provide the information if it is available.

Member Madsen said it is very important that Plan Bay Area 2040 and 2013 keep our development footprint going forward to avoid a sprawl future. However, households in communities like Palo Alto dropped by a third, while Gilroy went up about double. He assumes that has something to do with the balance between aspirational and realistic. This is not necessarily consistent with the overall vision of SB 375 and our climate goals. Even though we have a plan that maintains growth within our urban boundaries, it definitely puts pressure if we go that route of more growth on the edge. What is it that we really want as a region and how do we get there?

Mr. Kirkey said what we are trying to do is to not just put out a bunch of numbers that look like a great, smart growth vision and have no prayer of being implemented. We are trying to look at the region and say this is where this region is at. We are really headed in the wrong direction.

Member Madsen said that the region needs to be really clear about our aspirations. Let us be realistic, but let us know what we should be aiming for.

Chair Gupta wanted to make sure the committee understands what we are asking from staff. The tool they are using now, UrbanSim, has certain constraints on it and the staff has to work with them in order to make all these various factors combine in a systematic fashion so you can repeat those processes and compare one set of scenarios with another set of scenarios. There are a few things that we all should keep in mind. One, UrbanSim is a parcel-based model, which looks at a given parcel and looks at what is happening to that parcel with respect to many different inputs going into the process. Two, what is the historical data for that parcel. UrbanSim is based on 2010 numbers. The model does not know what is happening in 2015 and 2016 and 2014 when we had this extremely high growth. Perhaps in the future we will have the data, but right now we have 2010 as the only complete year. Three, much of the interaction of UrbanSim is based on economic reality, financial reality, the availability of land, the availability of jobs and what has been happening recently, according to the model. While we all are looking at our current growth of 2016, the model is still working with the data that has been less than representative of what is happening in 2015-2016. If there is parcel data that is in error, staff would be more than willing to correct that. We are working with a process that has limitations.

8. ABAG STAFF CONSOLIDATION UNDER MTC

Courtney Ruby, Interim Director of Administrative Services and Finance, provided an overview of current tasks in the merger process and outlined the contract for services.

Ms. Ruby reminded the committee that, in late May, both MTC and ABAG voted to support a functional staff consolidation and the pursuit of governance options. This will

retain the independence and statutory responsibilities of both boards and calls for new governance options to be considered in the longer term. This plan, known as option 7, was one of seven options that were presented by Management Partners, the management consultants hired by MTC and ABAG to help us with this transition plan. Transitioning from this larger policy decision to implementing option 7 requires that we work through many additional details. Management Partners began their effort by presenting an implementation action plan that calls for a sequence of some 40 actions over approximately 5 months, so we can create a vision of the consolidated staff and bring that into reality.

As one of the first steps we began conducting financial and legal due diligence. Our financial due diligence is being conducted by PFM, and our legal due diligence is being conducted by Orrick. Their job is really to determine the impacts on ABAG and MTC under our staff consolidation. Their work is wrapping up right now and we anticipate having a report from both consultants in the next couple of weeks.

Recently ABAG and MTC began developing the contract for services between the two agencies. This is a very important part of the process. This is where we consolidate the two staffs under one executive director at MTC. This contract will ensure that we have the adequate staffing and support for all of ABAG's statutory duties and responsibilities as the Bay Area Council of Governments. The contract for services will be the governing document on how ABAG and MTC successfully work together to ensure ABAG's mission and obligations are met with our members, grantors, partners, and ABAG entities. The contract must be agreed to before the staff consolidation can occur.

As part of this process we have formed an employee relations group that includes members of MTC's Committee for Staff Representation, known as CSR, and ABAG's SEIU Leadership Team, along with the Human Resources directors and deputy directors at MTC and ABAG. This committee discusses labor issues that are inherent in our staff consolidation. Finally, we hired Koff and Associates to document and compare MTC and ABAG employee programs, including classification, organizational structure, jobs, and employee programs. There was a kick-off meeting in August with the employee relations group where they went over the scope of work. Last week, Koff met independently with ABAG and MTC planners and then they were at our employee relations group to explain the process they are going through. All of the planners have been asked to fill out a position description questionnaire (PDQ) so Koff can better understand what MTC and ABAG planners do so we can best consolidate the planners into a single productive and efficient planning department. We will then distribute the PDQs to all ABAG employees and a representative sample of MTC employees.

Now on the policy side, a joint MTC Planning Committee and ABAG Administrative Committee meeting focusing on the staff consolidation activities is scheduled on October 28th. The staff consolidation offers opportunities for the staff to grow and learn and try their hand at new tasks and new working relationships. It is our belief through a thoughtful staff consolidation that we can make our institutions stronger, more efficient, and smarter. And that we will be in a much better position to tackle climate change, sea level rise, housing affordability, traffic congestion, transit overcrowding, displacement of disadvantaged populations, threats to open space, and other daunting challenges head on. We look forward to working with each other and all the various members, partners and stakeholders to make the Bay Area a better, more livable and sustainable place.

Chair Gupta thanked Ms. Ruby for those aspirational and inspirational comments.

Member Terplan asked whether there will be any dedicated ABAG staff that remain after the merger. Is there any update on some of the functions of ABAG? Will the enterprise functions of ABAG live at another regional agency?

Ms. Ruby answered that, as far as the staff consolidation, all staff that is represented by SEIU will transfer to MTC and will be MTC employees. How we work out the actual operations of that is really dependent on the contract for services. The ABAG and MTC executive teams are meeting regularly to work out the contract of services that will ensure that both the Council of Governments responsibilities are maintained, as well as the entities. We do not envision that the collaborative partnerships will be housed anywhere else. The intention is really that ABAG will continue to honor and to provide the services that we have. And we are looking forward to doing that. But now, we will be doing it under the MTC staff consolidation and then this contract of services defines what services need to be provided by the staff that is consolidated with MTC. If you're on the outside hopefully it will be a seamless process.

Member Terplan wanted to clarify that only staff that are currently members of SEIU go into the consolidation and the executive staff remains separate?

Ms. Ruby replied that, all represented staff will go over under the consolidation, and program managers will still be running the programs. As far as executive management, that is part of a normal consolidation and we will see how all that gets put together.

Member Pierce replied to Member Terplan's question by saying that option 7 had a deputy directory position for ABAG in the organization chart, and we are still looking at exactly how that works and what fits underneath that. As you know, currently the ABAG executive director and attorney both work directly for the board. In all of our discussions so far, it appears that there is still going to be a need for a part-time attorney, if not a full-time attorney for some of the enterprise units. The consultants with the ABAG and MTC team are still working that out.

9. ADJOURNMENT

Chair Gupta adjourned the Regional Planning Committee at 3:11 PM.

The next meeting of the Regional Planning Committee will be on December 7, 2016.

Submitted:

Wally Charles

Date: November 22, 2016

For information or to review audio recordings of ABAG Regional Planning Committee meetings, contact Wally Charles at (510) 464 7993 or info@abag.ca.gov.